



**UNITRONICS (1989) (R" G) LTD.**

**PRESS RELEASE**  
**Airport City, Israel,**  
**August 20, 2018**

**\*\*\*Regulated Information\*\*\***  
**\*\*\*For Immediate Release\*\*\***

**AN IMMEDIATE REPORT, Restructuring Examination**

**Airport City, Israel – August 20, 2018** - Unitronics published the attached Immediate Report pursuant to the requirements of the Israeli law, in connection Restructuring Examination.

**About Unitronics**

Unitronics (1989) (R" G) Ltd. is an Israeli company that engages, through its Products Department, in the design, development, production, marketing and sale of industrial automation products, mainly Programmable Logic Controllers ("PLCs"). PLCs are computer-based electronic products (hardware and software), used in the command and control of machines performing automatic tasks, such as production systems and automatic systems for industrial storage, retrieval and logistics. The Company also engages, through its Automated Solutions Department and/or its subsidiaries, in the design, construction and maintenance services in the framework of projects for automation, computerization and integration of computerized production and/or logistics systems, mainly automated warehouses, automated distribution centers and autonomous parking facilities. The Company's PLCs are distributed by over one hundred and sixty distributors (and a wholly owned US subsidiary) in approximately sixty countries throughout Europe, Asia, America and Africa. The services of the Systems Department are provided to customers in Israel and also outside Israel.

This press release contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks and other factors which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended.

**Unitronics (1989) (R"G) Ltd.  
(the "Company")**

**Re: AN IMMEDIATE REPORT, Restructuring Examination**

**Pursuant to regulation 36(a)  
to the Israeli Securities Regulations (Periodic and Immediate Reports), 1970**

Unitronics hereby reports that on August 19, 2018, the Company's board of directors adopted a resolution in principle to consider a spin-off of the Company's operations (hereinafter: "**spin-off**"), through a prospectus for the implementation of a spin-off and the listing of securities on the Tel Aviv Stock Exchange Ltd. (hereinafter: the "**Prospectus**" and the "**TASE**," respectively), such that the Company will transfer its operations in the automated solutions segment (which are carried out through the Company and through its subsidiary Unitronics Automated Solutions Ltd.), in accordance with the provisions of a spin-off agreement that will be signed between the Company and Utron Ltd., a fellow subsidiary of the Company whose shares are held by a trustee on behalf of the Company's shareholders.

The spin-off is subject to the approvals required by law, including court approval for an equity reduction, in respect of which an application is due to be submitted to the court in the coming days, a final resolution of the Company's board of directors, approval by the Israel Tax Authority, a permit from the Israel Securities Authority and the approval of the TASE for the listing of the securities of the spin-off company.

The Company's board of directors believes that the spin-off is a necessary strategic move due to the differing nature of the activity of each business segment. Should the conditions for a spin-off mature and the spin-off take place, this move will enable managerial focus in the PLC segment retained by the Company on growth engines, the expansion of activity in the target markets and an improvement in profitability, in cash flows and in all the financial performance indicators, inter alia by positioning the Company over time as a profitable company with the capacity to distribute dividends. The board of directors likewise believes that the spinning off of the automated solutions segment from the Company to a fellow subsidiary will enable stability and management focus on the segment's operations, stronger targeting of the U.S. market and positioning as a market leader, the raising of capital needed for growth acceleration, entry into strategic joint ventures and the positioning of the spin-off company in the capital market as a leading pioneering technology growth company.

The foregoing includes forward-looking information, as this term is defined in the Securities Law, 5728-1968. Forward-looking information is uncertain information regarding the future, including forecasts, estimates or other information relating to a future event or matter whose realization is uncertain and/or outside the Company's control. The above forward-looking information refers, inter alia, to the implementation of a restructuring process and completion of the relevant required actions, such as court approval for an equity reduction, a final resolution of the Company's board of directors and receipt of approval from the Israel Tax Authority, a permit from the Israel Securities Authority and the approval of the TASE, and to the anticipated consequences of the spin-off for the Company and the subsidiary Utron. The Company's above estimates are based on information or estimates existing at the Company as of the date of this report. It should be emphasized that as of the date of this report, there is no certainty as to the manner of implementation, the outcome, the timing and the conditions of the spin-off, nor is it at all certain that the spin-off will actually take place, inter alia in view of the market situation, the need to receive the aforesaid approvals, etc

Respectfully,

**Unitronics (1989) (R"G) Ltd.**